

# PM lauds Petronas as a global player

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KERTIH, Thurs. Datuk Seri Dr Mahathir Mohamad today said Petronas has done well to be a global player in the petroleum industry, but expressed disappointment with the small- and medium-scale industries for not taking up opportunities available at the Petronas Petroleum Industry Complex here.

The Prime Minister paid tribute to Petronas for transforming Malaysia into 3 petroleum and petrochemical hub and for its courage to venture into an industry dominated by "giants".

Dr Mahathir said although the production of oil and gas in Malaysia was not big, Petronas has managed to spread its wings to 27 countries, venturing into oil exploration, production, refining and marketing as well as constructing pipelines running thousands of miles.

The national oil company was also involved in developing the petrochemical industries in these countries.

"We are proud of Petronas which had the courage to venture into a field dominated by the world's petroleum giants.

"I, on behalf of the Government, would like to say syabas to Petronas," he said at the opening of the PPIC here.

Also present were Terengganu Menteri Besar Datuk Seri Abdul Hadi Awang, Pahang Menteri Besar Datuk Seri Adnan Yaakub and Petronas chairman Tan Sri Azizan Zainul Abidin.

Dr Mahathir said generally, national oil companies exploring oil in their own country with foreign companies would only be interested in "production sharing" and not in acquiring technology.

Due to this, they could not expand abroad and be successful like Petronas, which has also become the owner of Malaysia's biggest shipping company.

He said although Malaysia was not a big oil producer, the industry has become the catalyst for the development of the economy.

"We have proved that with proper long-term planning and dedication, we can achieve our vision for

national development for the benefit of all," he said.

Dr Mahathir said Petronas was set up in 1974 as an agency responsible for the exploitation of the country's petroleum resources following the world oil crisis a year earlier.

The leaders then, he said, were aware that the new-found petroleum wealth could serve as a launching pad for spinning a whole new array of economic activities.

"Through Petronas, the Federal Government was able to implement the broad-based strategies for pursuing national development based on oil and gas and translate this national vision into reality.

"Today, we are proud to announce that this vision to build the nation through prudent harnessing of its oil and gas resources has been made possible, with Kertih as a solid proof and testimony of a vision realised," he said.

Dr Mahathir said the completion of the oil refinery in Kertih in 1983 was the first step in the building block to add value to the nation's hydrocarbon resources for national development.

"Since then, there was no looking back. By the following year, offshore gas was launched to kick-start the gas era for Malaysia," he said.

Over the span of 20 years, he said, Kertih has become the hub of Peninsular Malaysia's petroleum industry, housing a total of 41 petroleum and petrochemical plants and facilities.

This model of development, Dr Mahathir said, would not have been possible without the foresight and commitment of the Government and Petronas to put in place conducive policies, plans and strategies.

"Of course, the concept would not have worked without the support of investors who would not have decided to come in if they are not convinced of the project's viability, prospects as well as conducive investment climate," he said, adding that this amalgamation of economics and infrastructure has today put Kertih on the world map

as a petroleum and petrochemical hub.

About RM70 billion has been spent to explore, develop and produce oil and gas from offshore Peninsular Malaysia, including to design, build and operate the plants and facilities.

Off the coast of Kertih, 66 platforms have been pumping oil and gas non-stop for the past 20 years.

Oil exports from Kertih earned a revenue of RM6.6 billion last year, while exports of refined petroleum products amounted to RM1.5 billion.

The "who's who" of the global petroleum and petrochemical industries which include ExxonMobil, Dow Chemicals, BASF, BP-Amoco, Mitsui, Mitsubishi, Idemitsu and Sasol, are also operating in Kertih.

"Today, we can attest to the fact that the PPIC in Kertih has become the nerve centre of the country's petroleum and petrochemical industry... and become the backbone of the Peninsular Malaysia's economy," he said.

The complex is linked to the offshore facilities where four gas pipelines, each stretching over 150km long, and a 200km oil pipeline transfer oil and gas to the shore around the clock.

Over 70 per cent of the nation's electricity generation was powered by gas delivered from Kertih through this cross-country pipeline.

Dr Mahathir said there was a lack of interest from local entrepreneurs to seize spin-off opportunities from various petroleum and petrochemical projects at the PPIC.

The Prime Minister said while Kertih has become a magnet in drawing foreign investors to set up manufacturing bases, he was disappointed that local entrepreneurs did not take up the opportunity.

"The projects in Kertih have provided the key ingredients for the plastics, chemical and petrochemical industry to take off," he said.

"I would like to call on local entrepreneurs to take advantage of the availability of these feedstocks and to add value to these petrochemical products."